

# **Washington State Auditor's Office**

## **Audit Report**

### **Audit Services**

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Report No. 58027

**CITY OF FERNDALE**

Whatcom County, Washington

January 1, 1995 Through December 31, 1995

Issue Date: January 31, 1997

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**CITY OF FERNDALE**  
**Whatcom County, Washington**  
**January 1, 1995 Through December 31, 1995**

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**Independent Auditor's Report On Compliance With Laws And Regulations  
At The Financial Statement Level (Plus Additional State Compliance  
Requirements Per RCW 43.09.260)**

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Mayor  
City of Ferndale  
Ferndale, Washington

We have audited the financial statements, as listed in the table of contents, of the City of Ferndale, Whatcom County, Washington, as of and for the fiscal year ended December 31, 1995, and have issued our report thereon dated October 10, 1996.

We conducted our audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

Compliance with laws, regulations, contracts, and grants applicable to the City of Ferndale is the responsibility of the city's management. As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we performed tests of the city's compliance with certain provisions of laws, regulations, contracts, and grants.

We also performed additional tests of compliance with state laws and regulations as required by *Revised Code of Washington* (RCW) 43.09.260. This statute requires the State Auditor to inquire as to whether the city complied with the laws and the *Constitution of the State of Washington*, its own ordinances and orders, and the requirements of the State Auditor's Office. Our responsibility is to examine, on a test basis, evidence about the city's compliance with those requirements and to make a reasonable effort to identify any instances of misfeasance, malfeasance, or nonfeasance in office on the part of any public officer or employee and to report any such instance to the management of the city and to the Attorney General. However, the objective of our audit of the financial statements was not to provide an opinion on overall compliance with these provisions. Accordingly, we do not express such an opinion.

The results of our tests disclosed no instances of material noncompliance that are required to be reported herein under *Government Auditing Standards*. However, we noted an instance of noncompliance immaterial to the financial statements which is identified in the Schedule of Findings accompanying this report.

This report is intended for the information of management and the mayor and to meet our statutory reporting obligations. This report is a matter of public record and its distribution is not limited. It also serves to disseminate information to the public as a reporting tool to help citizens assess government operations.

Brian Sonntag  
State Auditor

October 10, 1996

CITY OF FERNDALE  
Whatcom County, Washington  
January 1, 1995 Through December 31, 1995

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**Independent Auditor's Report On Internal Control Structure  
At The Financial Statement Level**

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Mayor  
City of Ferndale  
Ferndale, Washington

We have audited the financial statements of the City of Ferndale, Whatcom County, Washington, as of and for the fiscal year ended December 31, 1995, and have issued our report thereon dated October 10, 1996.

We conducted our audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

The management of the city is responsible for establishing and maintaining an internal control structure. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of internal control structure policies and procedures. The objectives of an internal control structure are to provide management with reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorized use or disposition, and that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of financial statements in accordance with the prescribed basis of accounting. Because of inherent limitations in any internal control structure, errors or irregularities may nevertheless occur and not be detected. Also, projection of any evaluation of the structure to future periods is subject to the risk that procedures may become inadequate because of changes in conditions or that the effectiveness of the design and operation of policies and procedures may deteriorate.

In planning and performing our audit of the financial statements of the city, we obtained an understanding of the internal control structure. With respect to the internal control structure, we obtained an understanding of the design of relevant policies and procedures and whether they have been placed in operation, and we assessed control risk in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide an opinion on the internal control structure. Accordingly, we do not express such an opinion.

We noted certain matters involving the internal control structure and its operation that we consider to be reportable conditions under standards established by the American Institute of Certified Public Accountants. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control structure that, in our judgment, could adversely affect the entity's ability to record, process, summarize, and report financial data consistent with the assertions of management in the financial statements. The matters involving the internal

control structure and its operation that we consider to be reportable conditions are included in the Schedule of Findings accompanying this report.

A material weakness is a reportable condition in which the design or operation of one or more of the specific internal control structure elements does not reduce to a relatively low level the risk that errors or irregularities in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.

Our consideration of the internal control structure would not necessarily disclose all matters in the internal control structure that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses as defined above. However, we believe none of the reportable conditions described in the Schedule of Findings is a material weakness.

This report is intended for the information of management and the mayor and to meet our statutory reporting obligations. This report is a matter of public record and its distribution is not limited. It also serves to disseminate information to the public as a reporting tool to help citizens assess government operations.

Brian Sonntag  
State Auditor

October 10, 1996

CITY OF FERNDALE  
Whatcom County, Washington  
January 1, 1995 Through December 31, 1995

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Schedule Of Findings

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1. The City Of Ferndale Should Improve Internal Controls Over Court Operations And Retain All Records

During our audit of the City of Ferndale Municipal Court, we noted the following weaknesses in the internal controls over cash receipts and other court operations:

Lack of Segregation of Duties:

- Cashiers have the ability to make adjustments to accounts receivable amounts for cases on file in the District Court Information System (DISCIS). This includes the ability to write off receivables entirely. The duties of cash receipting and posting adjustments to receivables should be separate. Without such separation, errors or more serious irregularities could occur and not be detected in a timely manner, if at all.
- The city's probation officer is currently responsible for establishing amounts for restitution. The judge only indicates restitution must be made. By requiring the judge to formally establish and document restitution amounts, the city decreases the likelihood that unjustified levels of restitution are set and prevents subsequent unsupported changes to restitution amounts from occurring.

Missing or Incomplete Documents:

- For 2 of 50 selected citations, the court version of citations and supporting sentencing slips could not be located. Without adequate supporting documentation, we are unable to verify all fines established by the court clerks agree with actual judgments made nor are we able to verify all moneys received by the court are deposited with the city treasurer.
- Sentencing slips are not adequately completed or signed by the judge. The completion of sentencing slips being substantially performed by court clerks results in a significantly greater risk that unauthorized changes could be made which could result in errors or irregularities occurring without being detected.
- A clear audit trail is not maintained between manual receipts and receipts input into the DISCIS computer system. Manual receipts are commonly used when the court computer system is off-line or otherwise unavailable. No log of manual receipts is maintained and receipts are not always written in numerical order. As a result, 9 of 110 manual receipts written during 1995 could not be accounted for and we were unable to determine if the city received all fines which were paid.

Procedures:

- We noted eight delinquent citations did not have adequate action taken. The citations were not sent to the city's collection agency nor did they have warrants for arrest issued. Without requiring appropriate action be taken on past due accounts, the city significantly increases the risk that errors or other irregularities could occur and not be detected in a timely manner, if at all.
- Funds received via manual receipts are not deposited in a timely manner. Staff indicate funds were held until they could be entered into the court computer system. This delay enabled deposits to balance with fines posted to citation accounts. Holding funds for longer than 24 hours is a violation of RCW requirements and provides an opportunity for errors and other irregularities to occur without being detected in a timely manner, if at all.
- Periodic reviews of court operations and police citations are not formally documented. Management performs periodic informal cash counts in the court department and ensures all citations written are input to the DISCIS system but does not perform a review of adjustments made to account receivable amounts or verify sentences entered in DISCIS agree with appropriate supporting documentation. Performance of these additional reviews increases the likelihood that errors or irregularities will be detected in a timely manner.

#### Receipts Are Not Written:

- Acceptance and payments of restitution are not formally accounted for in the DISCIS system or reported on the City of Ferndale reports.

#### The Washington State Constitution, Article XI, Section 15, states in part:

All moneys, assessments and taxes belonging to or collected for the use of any county, city, town or other public or municipal corporation, coming into the hands of any officer thereof, shall immediately be deposited with the treasurer, or other legal depository . . . .

#### In addition, RCW 43.09.240 states in part:

Every public officer and employee, whose duty it is to collect or receive payments due or for the use of the public shall deposit such moneys collected or received by him or her with the treasurer of the local government once every twenty-four consecutive hours.

#### RCW 40.14.070 also states in part:

. . . Except as otherwise provided by law, no public records shall be destroyed . . . unless:

- (1) The records are six or more years old.
- (2) The department of origin of the records has made a satisfactory showing to the state records committee that the retention of the records for a minimum of six years is both unnecessary and uneconomical, particularly where lesser federal retention periods for records generated by the state under federal programs have been established; or



(3) The originals of official public records less than six years old have been copied or reproduced by any photographic, photostatic, microfilm, miniature photographic, or other process approved by the state archivist which accurately reproduces or forms a durable medium for so reproducing the original.

RCW 43.09.200, Local government accounting - Uniform system of accounting, states in part:

The state auditor shall formulate, prescribe, and install a system of accounting and reporting . . . The accounts shall show the receipt, use, and disposition of all public property, and the income, if any derived therefrom; all sources of public income, and the amounts due and received from each source; all receipts, vouchers, and other documents kept, or required to be kept, necessary to isolate and prove the validity of every transaction . . . .

RCW 46.64.010 also states:

. . . Every record of traffic citations required in this section shall be audited monthly by the appropriate fiscal officer of the government agency to which the traffic enforcement agency is responsible.

The city indicated they provided additional oversight and periodic reviews of court operations but did not sufficiently address some weaknesses due to limited staff resources.

Not maintaining adequate internal controls results in a significantly greater risk that errors or irregularities could occur and not be detected in a timely manner, if at all. In addition, without maintaining an effective internal control system or maintaining court documents and reports, we were unable to verify that all moneys received by the court were deposited with the city treasurer.

We recommend the city develop adequate internal controls over court operations as follows:

- a. Only one noncashier employee should have computer access which allows adjusting receivable amounts.
- b. All restitution amounts should be established by the judge and documented in court dockets.
- c. Adequate supporting documentation should be attached and retained with all citations to support final case disposition.
- d. The judge should be held responsible for providing sufficient documentation of case dispositions. We also recommend the judge initial or sign the sentence slips to ensure authenticity.
- e. A clear audit trail should be provided between all manual receipts and the DISCIS system by: maintaining a log of manual receipt sheets, issuing receipts in numerical order, and retaining all receipt documentation.
- f. All court accounts on becoming delinquent should be properly notified and sent to a collection agency or a warrant for arrest should be obtained.

- g. Funds received should be deposited in a timely manner.
- h. Restitution transactions should be appropriately deposited with the city treasurer and recorded in city records.

Auditee's Response

*The City of Ferndale appreciates the efforts of the State Auditor's Office in bringing the internal control deficiencies within the court to our attention. We will be working over the next few months to remedy these deficiencies as best possible given the limited staff within the court and its physical separation from the City finance department.*

*We have taken the step of more clearly defining the duties of the two individuals who presently staff the Ferndale Municipal Court. The day to day finance functions have been centered in one person to ensure accountability. This person is in turn responsible to myself as Clerk/Treasurer and increased monitoring of daily transactions in being undertaken.*

*We will be working with the Office of the Administrator of the Courts to determine whether DISCIS access can be limited to specific personnel for the purpose of posting non-cash adjustments to accounts receivable. A system is being put into place which would provide for review of all non-cash transactions along with supporting documentation by my office on a monthly basis. Beginning of the month balances and end of the month balances will be tested to ensure that all cash is properly deposited and all non-cash transactions are duly approved.*

*On the issue of restitution, it has been decided that neither the Court nor the Probation Department will accept restitution. Persons owing restitution will be required to make payments directly to the injured party and provide proof of payment to the Court. This totally avoids the handling of restitution funds.*

*We will be working with the court staff to implement a filing system which will ensure the availability of supporting documentation leading up to the final disposition of cases. We will continue to track police citations from the police department to their proper and timely entry into the DISCIS system.*

*Forms are being prepared which will aid the judge in clearly delineating to court staff the manner in which cases will be disposed.*

*Manual receipts are to be attached to the daily transaction log which is submitted to the Clerk/Treasurer's Office. These will be monitored for consistency in numerical sequence. We will be taking the additional step of keeping manual receipt supplies, except for the current working supply, within the Treasurer's Office and recording the numbers and date when they are disbursed to the court. Additional receipts will not be disbursed until all outstanding receipts are accounted for and determined to have had the funds shown as collected deposited to the proper bank account.*

*The Clerk//Treasurer's Office will be reviewing monthly printouts of delinquent accounts to ensure that past due accounts are either FTA'd or sent to the City's contract collection agency.*

*Periodic unscheduled cash counts will be conducted within the Court to determine that all funds are available for deposit.*

*We will be working over this year on a continuous review of the Court system to improve all internal control deficiencies and seek means by which to improve them.*

### Auditor's Concluding Remarks

We would like to take this opportunity to thank the City of Ferndale for their response. We also want to thank the entire City of Ferndale staff for their cooperation and positive attitude during the audit.

CITY OF FERNDALE  
Whatcom County, Washington  
January 1, 1995 Through December 31, 1995

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**Independent Auditor's Report On Financial Statements And Additional  
Information**

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Mayor  
City of Ferndale  
Ferndale, Washington

We have audited the accompanying statements of Fund Resources and Uses Arising from Cash Transactions of the various funds of the City of Ferndale, Whatcom County, Washington, for the fiscal year ended December 31, 1995. These financial statements are the responsibility of the city's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As described in Note 1 to the financial statements, the city prepares its financial statements on the cash basis of accounting that demonstrates compliance with Washington State statutes and the *Budgeting, Accounting and Reporting System (BARS)* manual prescribed by the State Auditor, which is a comprehensive basis of accounting other than generally accepted accounting principles.

In our opinion, the financial statements referred to above present fairly, in all material respects, the recognized revenues and expenditures of the funds of the City of Ferndale for the fiscal year ended December 31, 1995, on the cash basis of accounting described in Note 1.

Our audit was made for the purpose of forming an opinion on the financial statements taken as a whole. The accompanying Schedule of Long-Term Debt and Schedule of State Financial Assistance are presented for purposes of additional analysis and are not a required part of the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and, in our opinion, is fairly presented in all material respects in relation to the financial statements taken as a whole.

In accordance with *Government Auditing Standards*, we have also issued a report dated October 10, 1996, on our consideration of the city's internal control structure and a report dated October 10, 1996, on its compliance with laws and regulations.

Brian Sonntag  
State Auditor

October 10, 1996

CITY OF FERNDALE  
Whatcom County, Washington  
January 1, 1995 Through December 31, 1995

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**Independent Auditor's Report On Supplementary Information  
Schedule Of Federal Financial Assistance**

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Mayor  
City of Ferndale  
Ferndale, Washington

We have audited the financial statements of the City of Ferndale, Whatcom County, Washington, as of and for the fiscal year ended December 31, 1995, and have issued our report thereon dated October 10, 1996. These financial statements are the responsibility of the city's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

Our audit was made for the purpose of forming an opinion on the financial statements of the City of Ferndale taken as a whole. The accompanying Schedule of Federal Financial Assistance is presented for purposes of additional analysis and is not a required part of the financial statements. The information in the schedule has been subjected to the auditing procedures applied in the audit of the financial statements and, in our opinion, is fairly presented in all material respects in relation to the financial statements taken as a whole.

Brian Sonntag  
State Auditor

October 10, 1996

**CITY OF FERNDALE**  
**Whatcom County, Washington**  
**January 1, 1995 Through December 31, 1995**

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**Independent Auditor's Report On Compliance With The General Requirements  
Applicable To Federal Financial Assistance Programs**

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Mayor  
City of Ferndale  
Ferndale, Washington

We have audited the financial statements of the City of Ferndale, Whatcom County, Washington, as of and for the fiscal year ended December 31, 1995, and have issued our report thereon dated October 10, 1996.

We have applied procedures to test the city's compliance with the following requirements applicable to its federal financial assistance program, which is identified in the Schedule of Federal Financial Assistance, for the fiscal year ended December 31, 1995:

- Political activity
- Davis-Bacon Act
- Civil rights
- Cash management
- Federal financial reports
- Allowable costs/cost principles
- Administrative requirements, including subrecipient monitoring

The following requirements were determined to be not applicable to its federal financial assistance program:

- Relocation assistance and real property acquisition
- Drug-Free Workplace Act

Our procedures were limited to the applicable procedures described in the Office of Management and Budget's (OMB) *Compliance Supplement for Single Audits of State and Local Governments* or alternative procedures. Our procedures were substantially less in scope than an audit, the objective of which is the expression of an opinion on the city's compliance with the requirements listed in the preceding paragraph. Accordingly, we do not express such an opinion.

With respect to the items tested, the results of those procedures disclosed no material instances of noncompliance with the requirements listed in the second paragraph of this report. With respect to items not tested, nothing came to our attention that caused us to believe that the city had not complied, in all material respects, with those requirements.

This report is intended for the information of management and the mayor and to meet our statutory reporting obligations. This report is a matter of public record and its distribution is not limited. It also serves to disseminate information to the public as a reporting tool to help citizens assess government operations.

Brian Sonntag  
State Auditor

October 10, 1996



**CITY OF FERNDALE**  
**Whatcom County, Washington**  
**January 1, 1995 Through December 31, 1995**

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**Independent Auditor's Report On Compliance With Specific Requirements**  
**Applicable To Nonmajor Federal Financial Assistance Program Transactions**

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Mayor  
City of Ferndale  
Ferndale, Washington

We have audited the financial statements of the City of Ferndale, Whatcom County, Washington, as of and for the fiscal year ended December 31, 1995, and have issued our report thereon dated October 10, 1996.

In connection with our audit of the financial statements of the city and with our consideration of the city's control structure used to administer its federal financial assistance programs, as required by OMB Circular A-128, *Audits of State and Local Governments*, we selected certain transactions applicable to its nonmajor federal financial assistance program for the fiscal year ended December 31, 1995. As required by OMB Circular A-128, we have performed auditing procedures to test compliance with the requirements governing allowability of the program expenditures, and reporting, types of services, matching requirements, and special tests and provisions that are applicable to those transactions. Our procedures were substantially less in scope than an audit, the objective of which is the expression of an opinion on the city's compliance with these requirements. Accordingly, we do not express such an opinion.

With respect to the items tested, the results of those procedures disclosed no material instances of noncompliance with the requirements listed in the preceding paragraph. With respect to the items not tested, nothing came to our attention that caused us to believe that the City of Ferndale had not complied, in all material respects, with those requirements.

This report is intended for the information of management and the mayor and to meet our statutory reporting obligations. This report is a matter of public record and its distribution is not limited. It also serves to disseminate information to the public as a reporting tool to help citizens assess government operations.

Brian Sonntag  
State Auditor

October 10, 1996

CITY OF FERNDALE  
Whatcom County, Washington  
January 1, 1995 Through December 31, 1995

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**Independent Auditor's Report On Internal Control Structure Used In  
Administering Federal Financial Assistance Programs**

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Mayor  
City of Ferndale  
Ferndale, Washington

We have audited the financial statements of the City of Ferndale, Whatcom County, Washington, as of and for the fiscal year ended December 31, 1995, and have issued our report thereon dated October 10, 1996.

We conducted our audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, issued by the Comptroller General of the United States, and the provisions of OMB Circular A-128, *Audits of State and Local Governments*. Those standards and OMB Circular A-128 require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

In planning and performing our audit, we considered the city's internal control structure in order to determine our auditing procedures for the purpose of expressing our opinions on the financial statements and to report on the internal control structure in accordance with OMB Circular A-128. This report addresses our consideration of internal control structure policies and procedures relevant to compliance with requirements applicable to federal financial assistance programs. We have addressed internal control structure policies and procedures relevant to our audit of the financial statements in a separate report dated October 10, 1996.

The management of the city is responsible for establishing and maintaining an internal control structure. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of internal control structure policies and procedures. The objectives of an internal control structure are to provide management with reasonable, but not absolute, assurance that:

- Assets are safeguarded against loss from unauthorized use or disposition.
- Transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of financial statements in accordance with the prescribed basis of accounting.
- Federal financial assistance programs are managed in compliance with applicable laws and regulations.

Because of inherent limitations in any internal control structure, errors, irregularities, or instances of noncompliance may nevertheless occur and not be detected. Also, projection of any evaluation of the

structure to future periods is subject to the risk that procedures may become inadequate because of changes in conditions or that the effectiveness of the design and operation of policies and procedures may deteriorate.

For the purpose of this report, we have classified the significant internal control structure policies and procedures used in administering federal financial assistance programs in the following categories:

- **Accounting Controls**
  - Receivables
  - Purchasing, receiving, and accounts payable
- **General Requirements**
  - Political activity
  - Davis-Bacon Act
  - Civil rights
  - Cash management
  - Federal financial reports
  - Allowable costs/cost principles
  - Administrative requirements, including subrecipient monitoring
- **Specific Requirements**
  - Types of services
  - Matching, level of effort, earmarking
  - Reporting
  - Special requirements
- **Claims For Advances And Reimbursements**
- **Amounts Claimed Or Used For Matching**

For all of the applicable internal control structure categories listed above, we obtained an understanding of the design of relevant policies and procedures and determined whether they have been placed in operation, and we assessed control risk.

The following internal control structure categories were determined to be insignificant to federal financial assistance programs:

- **Accounting Controls**
  - Cash receipts
  - Cash disbursements
  - Payroll
  - Inventory control
  - Property, plant, and equipment
  - General ledger
- **General Requirements**
  - Relocation assistance and real property acquisition
  - Drug-Free Workplace Act
- **Specific Requirements**
  - Eligibility

During the fiscal year ended December 31, 1995, the city had no major federal financial assistance programs and expended 100 percent of its total federal financial assistance under the following

nonmajor federal financial assistance program: Department of Transportation, Highway Planning and Construction (CFDA 20.205).

We performed tests of controls, as required by OMB Circular A-128, to evaluate the effectiveness of the design and operation of internal control structure policies and procedures that we considered relevant to preventing or detecting material noncompliance with specific requirements, general requirements, and requirements governing claims for advances and reimbursements, and amounts claimed or used for matching that are applicable to the aforementioned nonmajor program. Our procedures were less in scope than would be necessary to render an opinion on these internal control structures policies and procedures. Accordingly, we do not express such an opinion.

Our consideration of the internal control structure policies and procedures used in administering federal financial assistance would not necessarily disclose all matters in the internal control structure that might be material weaknesses under standards established by the American Institute of Certified Public Accountants. A material weakness is a reportable condition in which the design or operation of one or more of the internal control structure elements does not reduce to a relatively low level the risk that noncompliance with laws and regulations that would be material to a federal financial assistance program may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control structure and its operation that we consider to be material weaknesses, as defined above.

This report is intended for the information of management and the mayor and to meet our statutory reporting obligations. This report is a matter of public record and its distribution is not limited. It also serves to disseminate information to the public as a reporting tool to help citizens assess government operations.

Brian Sonntag  
State Auditor

October 10, 1996